**SECTION: PAY AND COMPENSATION**

**POLICY**: Payroll and Direct Deposit **EFFECTIVE DATE:** insert date adopted

**STATEMENT OF PURPOSE:**

The purpose of this policy is to establish a consistent and transparent schedule for processing and issuing payroll for all city employees. This policy ensures timely and accurate compensation in compliance with applicable labor laws, city ordinances, and administrative procedures.

**DEFINTIONS:**

1. Payroll Period: The recurring timeframe during which employee work hours are recorded and compensation is calculated (e.g., biweekly, semimonthly).
2. Pay Date: The official date on which employees receive their wages for the applicable payroll period.
3. Non-Exempt Employee: An employee entitled to overtime pay under the Fair Labor Standards Act (FLSA).
4. Exempt Employee: An employee who is exempt from overtime pay under the FLSA.
5. Direct Deposit: The electronic transfer of wages into an employee’s designated financial institution account.
6. Garnishment: A legal order directing a third party to collect on a judgment through a payroll deduction, which may include child support, unpaid taxes, or court-ordered judgments.

**APPLICABILITY:**

This policy applies to all city employees, including full-time, part-time, temporary, seasonal, exempt, and non-exempt staff, across all city departments. Any exceptions must be approved by City Administration or designee.

**POLICY:**

The city shall maintain a regular payroll schedule and ensure all employees are paid on time and in accordance with applicable laws. Employees shall be informed of the payroll calendar upon hire and whenever there are changes. Payroll will be processed and paid according to a standardized payroll period and pay date schedule.

**PROCEDURES:**

1. Payroll Schedule
   1. The city shall operate on a payroll schedule, with pay periods beginning on \_\_\_\_\_\_ and ending on the \_\_\_\_\_\_ following.
   2. Pay dates will occur on a regular schedule which could be weekly, biweekly monthly or semi-monthly.
2. If a pay date falls on a bank holiday, city-recognized holiday, or weekend, payment shall be made on the last business day prior.
3. Distribution of Pay
   1. Employees shall receive pay via direct deposit.
   2. A pay stub detailing gross earnings, deductions, and net pay will be made available electronically.
4. Timekeeping Requirements
   1. Non-exempt employees must accurately record time worked and leave time used each day using the city's designated timekeeping system.
   2. Supervisors are responsible for reviewing and approving submitted timesheets by the designated deadline.
   3. Exempt employees must report any leave used during the pay period for proper tracking and accounting.
5. Payroll Adjustments
   1. Any corrections to payroll (e.g., missed hours, pay rate changes, leave adjustments) must be reported to Payroll Services within the same pay cycle when feasible or as soon as discovered.
   2. Retroactive payments will be included in the next available payroll following verification and approval.
   3. Garnishments will be processed in accordance with the court order.
6. Payroll Error Corrections and Overpayment Recovery
   1. Overpayments must be reported to Payroll Services or Human Resources within the same pay cycle or as soon as discovered.
   2. In the event that an employee is overpaid due to a payroll error (e.g., clerical, accounting, or system error), the City reserves the right to recover the overpaid amount through payroll deductions from the employee’s future paycheck(s).
   3. The overpayment amount and repayment schedule will be communicated to the employee in writing prior to any deduction. Whenever possible, the overpayment will be recouped in a reasonable manner that avoids undue financial hardship to the employee.
   4. The employee will be asked to sign a written authorization agreeing to the deduction and repayment terms. If the employee refuses to sign, the deduction may still be made to the extent permitted by applicable law.
   5. If the employment ends before full recovery is made, the remaining amount owed may be deducted from the final paycheck or otherwise recovered as permitted by law.
7. Communication and Calendar Updates
   1. The payroll calendar will be published annually and made accessible on the city’s intranet and/or employee portal.
   2. Human Resources or Payroll Services will notify departments of any updates, emergency changes, or processing delays.
8. Compliance and Oversight
   1. The Payroll Department is responsible for ensuring timely payroll processing and compliance with applicable federal, state, and local laws.
   2. Discrepancies or concerns regarding payroll dates or payments should be reported promptly to Payroll Services or Human Resources.